RAJYA SABHA

Wednesday the 18th December, 1991/ 27 Agrahayana, 1913 (Saka)

The House met at Eleven of the clock **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Financing of Bombay High Projects

*381. SHRI KAMAL MORARKA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in the *Business and Political Observer* of 31st October, 1991 about financing of Bombay High Project by the World Bank and the Asian Development Bank;

(b) if so, what are the details thereof and on what conditions the finances have been made available; and

(c) what steps are being taken to use indigenous technology?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHNA KUMAR): (a) and (b) Yes, sir. The conditions laid down by the World Bank for the project include gas pricing, monitoring of oil and gas field development projects, 4th round of bidding and environment clearance of the project. The project has also been posed to the ADB for co-financing.

(c) Indigenous technology would be used to the extent it is available at competitive prices.

SHRI KAMAL MORARKA: Sir, before I ask my supplementary, the Minister has not given details. My question was, whether the World Bank is financing and, if so, the details thereof. The conditions he has given, but the details thereof—what is the value of the project, how much money they are giving us—are not given. And from the press we have much more details, with the Minister giving such statements to other organizations all over the country. Can you give us some details before I put my supplementary?

MR. CHAIRMAN: The first thing is, you give whatever the details thereof are.

SHRI S. KRISHNA KUMAR: Sir, the Gas Flaring Reduction Project to be implemented by the ONGC has a total outlay of Rs. 7,500 crores, of which the World Bank loan component is Rs. 1,170 crores. The ADB loan expected is Rs. 780 crores. The Japan Exim Bank loan is Rs. 910 crores, export suppliers' credit, Rs. 1,780 crores and ONGC's internal resources, Rs. 2,860 crores.

SHRI VIREN J. SHAH: Time-frame?

SHRI S. KRISHNA KUMAR: Our expectation is that this scheme can be completed and zero gas flaring achieved in the western offshore within five years, that is by 1994-95.

SHRI KAMAL MORARKA : Sir, my first supplementary is, if he had given these figures in the answer, I would have asked earlier that ONGC's own share you have taken at Rs. 2,860 crores and, according to the functioning of the ONGC in the last two, three years, with the production going down, do you think ONGC will be able to muster resources to this extent to enable ONGC to take this loan from he World Bank and ADB because unless ONGC can match its own resources, the loan will not come? So, does the Minister think that ONGC will have Rs. 2,860 crores without further budgetary support from the Finance Minister, which is very doubtful?

SHRI S. KRISHNA KUMAR: Sir, our oil companies, including exploration companies like ONGC, are not given budgetary support—they raise their own resources. The answer to the honourable Member's question is in the affirmative.

SHRI KAMAL MORARKA: Sir, my second supplementary is, among the various conditions that they have put, gas

pricing, monitoring, etc., are all right, and this fourth round of bidding is in progress at the moment but, as we know, the last three rounds of bidding got stuck up because—one of the major reasons was—according to internal norms, the foreign companies asked for a share of the oil or gas, whatever it is, in the exploration. India has not, till now, agreed to share the oil. We have been talking of giving them money or compensation. American companies have not agreed to that. Has the Government of India taken a policy decision that in the fourth round of hidding we will have an open mind and that we will agree to sharing of the oil or gas as the case may be so that something comes out of the fourth round of bidding?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI B. SHANKARANAND): Sir, perhaps the hon. Member is concerned about the oil industry. He is knowledgeable. Perhaps he is aware that the fourth round of bidding has been completed in the sense that the preliminaries for the fourth round have been done in Houston, London, Singapore and Delhi. It has just been concluded, and the bidding time we have extended by about six weeks, two months. Various foreign countries have shown interest in the fourth round of bidding. This naturally shows the interest they are taking.

About the main question whether we are going to share the oil, if that is the case, the very condition of bidding is production-sharing contract. The foreign companies will share the oil. But the only condition is that they shall have to sell the oil back to India unless we achieve self-reliance.

SHRI KAMAL MORARKA: My question is very simple, Sir. In the last three round of bidding, as the Minister must be aware, we got stuck up because the international norms of conditions are different from what we are prepared to agree. Are we becoming now flexible to come in line with the international norms, or do we stick to our old position, in which case we may have to abort the fourth round also?

SHRI S. KRISHNA KUMAR: Sir, the hon. Member is correct to the extent that the earlier three rounds of bidding were not as successful as we would have liked. So, taking the international practices and what is done in other countries into account we have made the fourth round of bidding more attractive for Indian as well as foreign bidders. More promising fields and even an existing developed oil and gas field has been included in the 72 blocks offered for the bidding. The response is encouraging, and we hope that the fourth round of bidding will be quite successful.

SHRI VITHARAO MADHAVRAO JADHAV: Mr. Chairman, Sir, at the Bombay High today the total production of gas is 40 million cubic metres per day from the western offshore, which is likely to be increased to 65.3 million cubic metres per day by 1994, and to a total of 71.5 million cubic metres per day by 2000 A.D. From that point of view the Government of Maharashtra has submitted some projects to the Central Government, about six projects for utilisation of gas. One of the most important projects is that the total cost of the second gas terminal projects at Usar will be Rs. 8,000 crores to Rs. 10,000 crores. I would like to ask the hon. Minister by when the Usar second gas terminal will be statred and by when the gas which is burning—about 14 million cubic metres of gas is burning per day in the Bombay High—will be utilised. What are the plans of the Government of India, and what assistance, financial assistance will be obtained for the creation of the Uran gas terminal in the near future? That is my question.

Thank you.

SHRI S. KRISHNA KUMAR: Sir, the production of gas in the country now is 48 million cubic metres per day, and the flaring is about 30 per cent.

As regards the second part of the question, we have already answered that the gas-flaring will be reduced to zero, if our projects go as per time-schedule by 1995. Even in another five years our expectation is that the gas production will be doubled. That means it will go up to about 80 million cubic metres per day and in yet

another 2 to 3 years it is expected to treble. Already, Sir, 120 million cubic metres per day of gas has been committed. It is not as if the gas not been committed to end-users. As regards the Usar project, the Government has constituted a Gas Linkage Committee which continuously assesses the availability of gas as against the request for its utilisation.

SHRI VITHALRAO MADHAVRAO JADHAV: I wanted to know about the Usar project.

SHRI S. KRISHNA KUMAR: They will take appropriate decision. The Usar project will also be considered by that committee.

SHRI VITHALRAO MADHAVRAO JADHAV: My question has not been replied. My question was about the second gas terminal at Usar. He has not mentioned about it. That is very important.

SHRI B. SHANKARANAND: The Member has been persistently asking this question. His last question in this House was about the second terminal at Usar. At Uran there is already a terminal. The Maharashtra Government's request is with reference to the Usar terminal. This depends upon the availability of gas. This may be considered by the Government after the Gas Flare Reduction Programme is implemented.

SHRI JAGESH DESAI: Crores of rupees worth of gas is burnt every day. I, along with some other Members of Parliament, had visited the Basai High and had discussions with the officers there. What we found there was that contracts have been made with the users that from a particular date a particular amounts of gas is to be supplied to them, but they are not taking the supplies. The Government has not cancelled the contracts and is not giving it to the needy consumers. That is why the gas has to be burn. I would like to know if this is a fact or not. I would also like to know whether the Government will take action to cancel those agreements and give the gas to the new persons so that the gas is not burnt and needy industries are able to make use of it.

SHRI B. SHANKARANAND: The hon. Member is right. On the one hand, the gas is burning and on the other the industries are not getting it. This is the position. The gas is burning because it is not being utilised, not that we don't want to give gas to industries. As I have stated the project which is on hand is the Gas Flare Reduction Project. After its completion, we will have enough gas and we will see that the down stream industries will get the gas first.

SHRI VIREN J. SHAH: Do you have enough infrastructure for supply of gas?

SHRI B. SHANKARANAND: I am coming to that. For the last few months I have been stating here and outside the House that there are some industries, which, it seems, have cornered the gas without utilising the gas which is committed to them and they are sitting tight on that. I do not know. I may be wrong on that. For that purpose, we have appointed a committee under the Chairmanship of the Secretary, Petroleum and Natural Gas. This Committee—the Gas Linkage Committee—is supposed to find out whether the gas that has already been committed to various industries is being utilised or not. If it is not being utilised and if they are not able to utilise it in the near future, such commitments will be cancelled and the gas will be allocated to the needy.

DR. YELAMANCHILI SIVAJI: In view of wastage of huge quantity of gas, I would like to know if there is any proposal to link the Bombay High to Hyderabad on the pattern of the HBJ pipeline. Second part of my question is: is there any proposal in the offing to extend the World Bank and ADB loan to link up the Krishna, Godavary and Cauvery Baisins?

SHRI S. KRISHNA KUMAR: The proposal for a Southern gas grid requested, among others, by the Chief Ministers

of the Southern States, is under consideration of the Inter-Ministerial Committee appointed for the purpose. Naturally, the question of linkage of Cauvery, Krishna, Godavary, Bombay High, Kerala, Konkan basins, the present as well as the future exploratory efforts, will be considered by that Committee when they deliberate on the proposed.

SHRI B. SHANKARANAND: May I add to this, Sir? The question of the hon. Member is a suggestion for action.

SHRI VITHALBHAI M. PATEL: The Gujarat Government has sent a proposal to the Petroleum Ministry to set up a gas-based power project at Gandhar from the Bombay High for utilising the gas, which is being flared. Up till now the Government is not taking any decision. May I know from the Minister when the will take a decision to provide gas to Gandhar and Piperno when the Gujarat Government is prepared to give you the infrastructure?

SRRI S. KRISHNA KUMAR: Sir, we have already answered the question why gas is being flared and when the gas flaring will be eliminated.

I would like to mention to the honourable House that whatever gas is produced within Gujarat is now being used within Gujarat itself. There are demands for the supply of gas which are still pending. It is not as if the gas produced in Gujarat is now being taken to other States. All other requests are pending consideration by the Gas Linkage Committee.

The gas currently being flared, when it is utilised, stands already committed to downstream users and cannot be taken to Pipanod.

MR. CHAIRMAN: Question No. 382.

Pension to Sindhi Freedom FightersN

*382. SHRI SURESH PACHOURI: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have received representations from some Sindhi freedom fighters in the recent past for he grant of freedom fighters pension and whether it is a fact that same has not been granted to them despite applying and appealing to Government persistently;

(b) if so, what are the reasons therefor; and

(c) by when Government propose to grant pension to these freedom fighters?

गृह मंत्रालय में उप मंत्री (श्री राम लाल राही) : (क) से (ग) उत्तर इस धारणा पर आधारित है कि यह संदर्भ उन स्वतंत्रता सेनानियों के प्रति है जिन्होंने तत्कालीन सिंध प्रांत जो अब पाकिस्तान का हिस्सा है, में अपनी गतिविधियां चलाई थीं । सरकार को अभी हाल में स्वतंत्रता सैनिक सम्मान पेंशन प्राप्त करने हेतु ऐसे छह सिंधी स्वतंत्रता सेनानियों के आवेदन प्राप्त हुए हैं । इनमें से एक मामले में पेंशन स्वीकृत कर दी गई है । सदस्यों के अभाव में दो मामलों को रद्द किया गया है तथा अन्य पर कार्रवाही की जा रही है और इन पर शीघ्र ही निर्णय लिए जाने की संभावना है ।

श्री सुरेश पचौरी : माननीय सभापति जी, माननीय मंत्री जी ने अपने उत्तर में बताया कि शीघ्र ही कुछ शेष प्रकरणों पर कार्यवाही की जाएगी । मान्यवर, इसी प्रकार का प्रश्न इसी राज्य सभा में अतारांकित 2276 था, जिसका उत्तर 30 मई, 1990 को तत्कालीन गृह मंत्री जी ने इस तरह दिया था :—

"कि जहां तक सिंधी फ्रीडम फाइटर्स का प्रश्न है, उनके प्रकरण निपटाने के लिए एक नान आफीशियल कमेटी का गठन किया गया है जो सिंधी फ्रीडम फाइटर्स के केसिज़ स्क्रीन करने के लिए बनाई गई है और उनको तुरन्त ही निकराकरण कर दिया जाएगा ।"